



TO: Outreach Partners and Interested Parties

FROM: *Prescription Advantage*

Date: December 23, 2005

BULLETIN

This bulletin is one in a series of routine updates regarding Prescription Advantage. These notices are designed to inform a broad network of outreach partners and other interested parties about Plan updates affecting both current and future Plan members.

Category Change Letters

The attached letters will be sent to Medicare members when a change in their income results in placing them in a new income category. The letters explain any changes to their Prescription Advantage benefits with regard to premium subsidy, co-payments and annual out-of-pocket spending limits.

When a change in income places a member in a category where he/she may qualify for Extra Help, the letter will include instructions about how to apply and an application will be provided. Please keep in mind, members who qualify for Extra Help, but do not apply will lose their Prescription Advantage benefits.

Cat Change letter to Medicare
Beneficiaries changing to LIS category

<Date>

ID Number:

<Name>

<Address>

<City, State Zip>

Dear <First Name><Last Name>:

Based upon the information you supplied about your gross annual household income, Prescription Advantage has determined that a change to your premium category is necessary. As you know, your placement in a particular category determines the level of benefits that you receive from Prescription Advantage.

Your new premium category is **<New Category>** and the effective date of the change in category is **<Cat Change Effective Date>**.

Prescription Advantage provides you with coverage to help you pay for Medicare prescription drug coverage. Therefore, in order to receive coverage from Prescription Advantage, you must be in a Medicare prescription drug plan. If you are not enrolled in a Medicare prescription drug plan, you will not receive any coverage from Prescription Advantage. If you need assistance in choosing a Medicare prescription drug plan or if you are unsure whether or not you are enrolled in a plan, please contact Customer Service at the number at the end of this letter.

Based upon your new premium category, the following is a list of benefits that you will receive as of the effective date of your change in category:

[Sample Chart – actual numbers filled in by category]

Prescription Advantage Benefits	
Monthly Premium	<ul style="list-style-type: none">• Prescription Advantage will pay for your monthly premium for your Basic Medicare prescription drug plan up to \$30.27 per month.• You will pay 100% of your Medicare drug plan's monthly premium over \$30.27 per month.• If you select an Enhanced plan, you will also pay the portion of the premium which covers the enhanced benefits.
Co-payments Generic Drugs Brand Name Drugs	For each drug covered by your plan, you will pay: <ul style="list-style-type: none">• No more than \$7• No more than \$18
Annual Out-of-pocket Spending Limit	<ul style="list-style-type: none">• Your out-of-pocket limit is \$1,440. Once you reach this limit, your co-payment will be \$0 for drugs covered by your Medicare drug plan.

Extra Help from Medicare

There are two types of Extra Help from Medicare for which you may be eligible or have been determined eligible: Full Extra Help and Partial Extra Help. If you qualify for Full Extra Help from Medicare, Medicare will help pay for your drug costs. If you qualify for Partial Extra Help from Medicare, Prescription Advantage and Medicare will help pay for your prescription drug costs. If you have been denied for Extra Help from Medicare, Prescription Advantage will help pay for your prescription drug costs.

How to Apply For Extra Help

Our new calculation of your gross annual household income indicates that you may be eligible to receive Extra Help to pay for your prescription drug costs. In order to remain enrolled in Prescription Advantage, you are required to submit an application for Extra Help to the Social Security Administration. An application is enclosed for your convenience.

Once you have submitted your application you will receive a receipt letter from the Social Security Administration. This letter must be forwarded to Prescription Advantage within 60 or your Prescription Advantage membership will be terminated.

Please remember that you are responsible for reporting any additional changes in your status, such as changes to your address or your income, to Prescription Advantage.

If you have any questions, please call Customer Service at 1-800-AGE-INFO (1-800-243-4636) or TTY:1-877-610-0241 (toll free) for the deaf and hard of hearing.

Sincerely,
Prescription Advantage

You have the right to request a review of decisions made by Prescription Advantage regarding your membership and benefits. For more information, please contact Customer Service.

ID Number:

Cat Change letter to Medicare beneficiaries

<Date>

ID Number:

<Name>

<Address>

<City, State Zip>

Dear <First Name><Last Name>:

Based upon the information you supplied about your gross annual household income, Prescription Advantage has determined that a change to your premium category is necessary. As you know, your placement in a particular category determines the level of benefits that you receive from Prescription Advantage.

Your new premium category is <New Category> and the effective date of the change in category is **<Cat Change Effective Date>**.

As a Medicare beneficiary, Prescription Advantage provides you with coverage to help you pay for Medicare prescription drug coverage. Therefore, in order to receive any coverage from Prescription Advantage, you must remain enrolled in a Medicare prescription drug plan. If you are not enrolled in a Medicare prescription drug plan, you will not receive any coverage from Prescription Advantage. If you need assistance in choosing a Medicare prescription drug plan or if you are unsure whether or not you are enrolled in a plan, please contact Customer Service at the number at the end of this letter.

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